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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 5227
INFO RUEHAC/AMEMBASSY ASUNCION 4071
RUEHBO/AMEMBASSY BOGOTA 2485
RUEHBU/AMEMBASSY BUENOS AIRES 1585
RUEHBR/AMEMBASSY BRASILIA 1003
RUEHCV/AMEMBASSY CARACAS 2170
RUEHPE/AMEMBASSY LIMA 6283
RUEHMN/AMEMBASSY MONTEVIDEO 4488
RUEHQT/AMEMBASSY QUITO 2492
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000664

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - JULY 15

Leading Stories

1. The government and the opposition reached an agreement to provide US\$3.4 billion to finance the public transportation system (Transantiago) in the capital city until 2014.

Insulza and the OAS

2. Conservative sectors in the region are lobbying to discredit OAS Secretary General Jose Miguel Insulza. These sectors disagree with Insulza's role in lifting the ban on Cuba and/or with his defense of Honduras President Manuel Zelaya. Democrats led by Congressman Robert Menendez are lobbying the Department of State, Congress and the media questioning Insulza's performance. The Democratic Party was the origin of "El Mercurio's" report that Secretary Clinton had informed Bachelet that the United States would not vote for Insulza's reelection. Although Bachelet herself denied having spoken about this with Clinton, an array of dailies published the story anyway, as well as the opinions of well-known columnists who also question Insulza Government-owned, editorially independent La Nacion, 7/15).

3. At a dinner with Socialist Party senators and Secretary General Insulza, the topic of discussion was "the rumor of an eventual U.S. veto of the Secretary's reelection and the campaign to discredit him led by conservative sectors in the United States and Latin America" (La Tercera, conservative, independent, 7/15).

U.S.-Related News

4. Column on President Obama's speech in Accra: "The speech in Ghana is important because it successfully promotes the view that Africa can play a transcendental role in a new system of nations.... It didn't have the usual demagoguery, mixed with colonialism and assistance... and instead urged Africa to form part of a global alliance to rebuild the foundation of prosperity; there are no records of this kind of speech with regard to Africa. The four pillars of the speech hold true for any developing country and seem obvious; Governance, opportunity, public health, and the peaceful resolution of conflict ... but are goals that the international community has been unable to fulfill.... More than acting as the administrator of a country seeking supremacy, the U.S. President is articulating a message that we would expect to hear from a United Nations Secretary General, but never have" (El Mostrador, by Juan Francisco Coloane on-line independent news agency, 7/15).

Chile other countries

¶5. President Bachelet and Turkish Foreign Trade minister Zafer Caglayan signed an FTA that will allow the entry of products to both countries 98% tariff free. (Diario Financiero, business, daily, 7/15).

U.S-Cuba

¶6. At U.N. headquarters in New York, former U.S. Ambassador to Chile Craig Kelly - today Secretary Clinton's advisor for Latin America and the Caribbean -- led a dialogue with Cuba on immigration. This is the first dialogue on this topic between the two countries in six years (La Tercera, 7/15).

Survey

¶7. In an eventual presidential election, the "Imaginacion" poll gives Sebastian Pinera 35.9% votes, Eduardo Frei 28.2% and Marco Enrique Ominami 21.5%. In a runoff election, Pinera received 43.3% and Frei 41.9% (La Segunda, conservative, afternoon, 7/15).

Narcotics

¶8. Three containers with a total of 634 kilos of cocaine arriving in Spain and Bulgaria were smuggled from Bolivia through Chile's northern port of Arica. The containers are protected by the Chile-Bolivia 1904 Free Transit Treaty, which means that Chilean Customs officials can only inspect containers if there is evidence that the seals have been tampered with (El Mercurio, conservative, influential newspaper-of-record, 7/15).

URBAN